

## FINANCE COMMITTEE

### MINUTES

The Finance Committee/Full Council Meeting of the City of Willmar met at 5:15 p.m. on Thursday November 7<sup>th</sup>, 2019, in Conference Room No. 1 at the City Office Building.

Present:	Audrey Nelsen	.....	Chair
	Rick Fagerlie	.....	Member
	Andrew Plowman	.....	Member
	Julie Asmus	.....	Member

Others present: Council Member Fernando Alvarado, Council Member Kathy Schwantes, Council Member Shawn Mueske, Council Member Vicki Davis, Finance Director Steve Okins, Police Chief Jim Felt, and Fire Chief Frank Hanson.

#### **Item No. 1**      **Call to Order**

The meeting was called to order at 5:15 p.m.

#### **Item No. 2**      **Public Comments**

There were no Public comments.

#### **Item No. 3**      **Recommended Action Items for the Council**

##### **Senior Citizens Assessment Deferment - (Resolution)**

Willmar Municipal Code, Chapter 5, Article V, Special Assessments and the City's Comprehensive Assessment Policy offer the option to defer special assessments to senior citizens, disabled, or active military deferrals meeting certain income guidelines. At the last Council Meeting, four parcels were deferred under this policy. Since then, the City received an additional qualifying application for the 2019 Street and Other Improvements Project and staff is recommending deferment be approved for Parcel 95-340-0130 owned by Darlene Johnson for \$3,825.00.

It was moved to recommend by Councilmember Plowman and seconded by Councilmember Asmus to introduce a resolution approving the deferment of the 2019 Special Assessments for the additional Parcel 95-340-0130 as presented for \$3,825.00.

#### **Item No. 4**      **Discussion Items for the Council**

The Mayor's 2020 Proposed Budget was discussed. As requested at the last Finance Committee meeting, Chief Felt was present to provide information regarding the police search robot that is currently on the 2019 Budget. It is also being proposed for 2020. The robot would be used for high-risk situations, such as, bomb squad calls or search warrant executions. Using a robot would help reduce the risk of harm to officers. After doing further research recently, it was discovered that a refurbished model could possibly be purchased for around \$10,000. It was the consensus of the Committee that Chief felt could pursue the purchase of this robot now since it is on the 2019 CIP Budget and, consequently, it would no longer be needed on the 2020 Proposed Budget.

Chief Hanson then spoke to the Committee regarding the Fire Department Turnout Gear Dryer proposed for purchase in 2020 at a cost of \$11,000. He reported that a grant submitted for this purchase has recently been approved which would result in a net cost to the City of about \$2,600 in matching grant funds. This expenditure would be incurred in 2019 as an operating expenditure in Small Tools; consequently, this

item can also now be removed from the 2020 Proposed Budget. A formal request for approval will be taken to a future Council Meeting.

A summary of the Civic Requests received was provided. New for 2020 is a request from the Barn Theatre for \$15,000 which has been included in the 2020 Proposed Budget. The Kandiyohi County Food Shelf had submitted a request for \$5,000 and the Kandiyohi County Historical Society had submitted a request for \$15,000 but neither of these two has been included in the 2020 Proposed Budget. The remainder of the requests included are West Central Industries Meals on Wheels \$17,607, Willmar Fests \$60,000, and Vision 2040 \$5,000 for a total of \$97,607. The total budget estimate was proposed at \$98,000. Criteria required for civic requests to be submitted to the City was discussed. Council Member Plowman requested the City take a second look at the two unfunded requests from the Food Shelf and the Historical Society. Additional information on any of the requests was not needed at this time. This item will be further discussed at the next Finance Committee meeting.

The Committee discussed the \$4 Utility Improvements Fee. There will be no changes to the process for this fee for 2020. However, discussion is needed for the use of this fee beginning in 2021 as that is the year the Municipal Utilities (WMU) rate increase recently approved will begin to be utilized for utility work during street improvements as well. A new agreement has been executed in which WMU will be responsible for water main improvement costs during street projects beginning in 2021. To date, the current \$4 fee has been used by the City to service the debt incurred for the water and sewer replacement portion of street improvement bonds.

It was noted that plans are to fully spend the balance in the Public Works Reserve Fund in 2020. As noted previously, in depth discussions need to take place in 2020 regarding the future of the \$4 Utility Improvement Fee and how those fees may change in 2021. To date, these fees collected have been placed in the Public Works Reserve Fund for use in servicing the water and sewer portion of the debt incurred for applicable street projects.

The 2020 Street Improvement Program information that was presented to the Public Works Committee was distributed to the Finance Committee along with further detail breaking out various costs including water and sewer. Estimated total for the project is \$3.3 million with approximately \$2 million in bonding and \$1 million in state aid. For future projects, the Engineering Department hopes to update the scoring system for determining the street work schedule.

Staff has sent Centerpoint Energy a list of regional centers/cities that the City of Willmar uses to review tax rates. Centerpoint has been asked to provide information for each city regarding whether or not there is a franchise fee, the amount, if applicable, and how the rate is calculated for that city. The Mayor has proposed \$245,000 in franchise fees for the 2020 Budget. Staff will present that information to the Council once that information has been received.

The 2020 Capital Improvement Program was discussed and it was noted that two items are being removed as discussed earlier in this meeting for the Police Search Robot and the Fire Department Gear Dryer totaling \$29,000. As a follow up to questions regarding the status of 2019 CIP Expenditures, the City Hall Short-Term Improvements have not been started yet. It was noted that funds to provide temporary heat for City Hall and the Auditorium in 2020 have been included in the 2020 budget. The Information Technology 2019 projects have been completed for a considerably less amount than budgeted. To date, nothing has been addressed for the Auditorium ADA improvements. The total of all of these 2019 unspent CIP funds is \$415,000. One possibility for the Auditorium would be to work with Stark Preservation to address needed improvements. Further funding for Auditorium improvements could be pursued through possible Legacy Grants, Historic Preservation Grants, etc. It was the consensus of the committee to leave the \$250,000 in the budget for future improvements to the Auditorium. The Swansson Field Lighting for \$315,000 has been placed in the proposed 2020 CIP to be borrowed from the Public Improvement Revolving Fund which needs to be repaid within five years. Further discussion will be held on this item regarding the possibility of funding from other sources. A list of CIP items requested but not funded was presented to the Committee for their review. It was noted that City Administrator Gramentz will report back to the Committee regarding the

potential of working with Stark Preservation on the Auditorium improvements.

Staff is working on compiling the needed adjustments for the insurance and salaries portion of the 2020 Proposed Budget and will provide this information to council members once available. Future meetings also include working through staffing requests and other items.

Council Member Schwantes noted that she will be unable to attend the November 21st meeting.

There being no further business to come before the Committee, the meeting was adjourned at 7:05 PM by Chair Nelsen.

Respectfully submitted,

A handwritten signature in cursive script that reads "Carol Cunningham".

Carol Cunningham  
Accounting Coordinator